

ABSTRACT OF THE DISCLOSURE

The method produces coherent dislocation-free regions from initially dislocated and/or defect-rich lattice mismatched layer grown on top of the substrate having a different lattice constant, which does not contain any processing steps before or after the lattice-mismatched layer growth. The process preferably uses *in situ* formation of a cap layer on top of a dislocated layer. The cap layer preferably has a lattice parameter close to that in the underlying substrate, and different from that in the lattice mismatched layer in no strain state. Under these conditions, the cap layer undergoes elastic repulsion from the regions in the vicinity of the dislocations, where the lattice parameter is the most different from that in the substrate. The cap layer is absent in these regions. When the cap layer has a lower thermal evaporation rate than the underlying lattice-mismatched layer, the regions of this lattice-mismatched layer containing dislocations are selectively evaporated at high enough temperatures, and only the coherent defect-free regions of the initially defect-rich lattice-mismatched layer remain on the substrate. In one embodiment of the invention, the defect-free regions are formed on the substrate with a size preferably tuned in the range of 30-1000 nm, depending on the annealing conditions, thickness of the cap layer, and the lattice mismatch. A device created by this method is also disclosed.